

Greyhound Computer of Canada Ltd.

Revised October 23, 1985 (IC)
Destroy all previous Basic and White
cards on this Company

CUSIP Number 398008
Stock Symbol GHC

Head Office — 1416, 181 University Ave., Toronto, Ont. M5H 3M7

Telephone — (416) 366-1513

THE COMPANY is primarily engaged in the leasing of computer systems and the buying and selling of used computer equipment.

COMPARATIVE DATA									
Fiscal Year	Total Assets	Net Computer Equip.	Shldrs. ¹ Equity	Total Revenue	Net Income	Earns. Per Sh.	Divd. Paid	Price Range High	Low
	000's							— Common Shares —	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
1985†				6,456	714	0.17		4.80	4.20
1984	49,602	12,160	13,352	13,920	1,987	0.48	0.24	4.80	3.55
1983	33,603	18,766	12,368	15,525	1,843	0.44	0.21	4.35	2.00
1982	39,932	27,369	11,337	12,285	1,109	0.27	0.15	2.65	1.02
1981	38,160	24,118	10,842	5,879	897	0.22	0.12	3.10	1.50
1980	13,878	8,357	10,440	5,078	889	0.22	0.12	2.50	1.76

†Six-month interim period. •To July 31.

CONSOLIDATED CAPITALIZATION AS AT DEC. 31, 1984			
	Outstanding		%
Long-term debt		\$12,064,989	47
Capital stock	4,181,000 shs.	5,141,010	20
Retained earnings		8,210,570	33

QUICK REFERENCE DATA

Major Shareholder—At Dec. 31, 1984, Greyhound Computer Corporation held approximately 79.4% interest in the company.

Employees—Nine in May, 1985.

Incorporation—Dominion Charter, July 19, 1968; continuance, 1980.

Auditors—Touche Ross & Co., C.A., Toronto.

Fiscal Year Ends—Dec. 31.

Annual Report Appeared—In April in 1985.

Annual Meeting—May 7 in 1985.

Bankers—Bank of Montreal, Canadian Imperial Bank of Commerce, The Royal Bank of Canada, Barclays Bank of Canada, Comerica Bank Canada, and The Mercantile Bank of Canada.

Underwriter—Latest underwriting was by Richardson Securities of Canada in 1969.

Listed—GHC, Toronto Stock Exchange.

Transfer Agent & Registrar—The Royal Trust Company, Montreal, Toronto, Winnipeg, Calgary.

CURRENT ACTIVITIES

For the six months ended June 30, 1985, net income declined 35% to \$714,168 or 17 cents per sh. from \$1,091,035 or 26 cents per sh. for the first half of 1984.

Leasing and other revenues decreased 5% to \$6,455,677 from \$6,791,440.

For the second quarter of 1985, net income was down 34% to \$355,319 or eight cents per sh. from \$540,867 or 13 cents per sh. for the year-earlier quarter. Revenue amounted to \$3,150,391, a 9% decrease from \$3,453,920.

For the year ended Dec. 31, 1984, leasing and other revenues totaled \$13,919,773 compared with \$15,525,315 in 1983. Net income in 1984 was \$1,987,146 or 48 cents per sh., down 8% from \$1,843,292 or 44 cents per sh. in 1983.

Dividends continue to be paid at the rate of 24 cents per sh. per annum, established with the semiannual dividend of 12 cents per sh. on July 3, 1984. Previously, an annual payment of 21 cents per sh. was paid Jan. 3, 1984.

An initial dividend of five cents per sh. was paid on Jan. 2, 1979; eight cents per sh. was paid on Jan. 2, 1980; 12 cents per sh. on Jan. 2 in 1981 and 1982; and 15 cents per sh. on Jan. 4, 1983.

OPERATIONS

The company is a third party lessor of capital equipment such as manufacturing and computer equipment and aircraft under direct financing leases whose initial terms vary from four to ten years. Computer and related peripheral equipment is also leased out under operating leases having initial terms of up to three years.

The equipment which is purchased from both the user and the manufacturer is leased back to the user usually at a lower rate than that charged by the manufacturer.

Equipment leased by the company to users is maintained by the manufacturer in accordance with the terms of the maintenance agreement, in most cases, at the user's expense. In a few cases, however, this

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expense is borne by the company and the rental charged to the user is accordingly higher.

The company also engages in the buying and selling of used computer equipment and has a wholly owned subsidiary, **Canadian Computer Resources Limited**.

HISTORY

1968—Incorporated under the laws of Canada on July 19, under name Greyhound Computer of Canada Ltd.

1969—On Apr. 30, converted into public company.

1972—Acquired Canadian Computer Resources Limited.

1980—Continued under Canada Business Corporations Act.

OFFICERS AND DIRECTORS

Officers—G. B. Clarke, chm. & chief exec. officer; G. W. Langdon, pres.; R. J. Camshell, v-p; F. G. Emerson, sec.; R. J. Kibler, treas.; L. J. Micallef, v-p & contr.; Levon Kasarjian, Jr., Carol Kotek, W. J. Hallinan, asst. secs.; L. I. Romaniw, asst. contr.

Directors—G. W. Langdon, L. J. Micallef, J. H. Taylor, Toronto; W. C. Bumpers, G. B. Clarke, O. E. Swan-ky, Phoenix, Arizona; C. J. Clark, Windsor, Ont.; J. A. Knight, Calgary, Alta.

CAPITAL STOCK CHANGES

At the time of the first public offering in July, 1969, authorized capital consisted of 6,000,000 capital shs., n.p.v., of which 3,500,000 shs. were outstanding. The offering was an issue of 500,000 treasury shs. at \$6 per sh.

During 1978, 19,000 shs. and in 1979, 20,000 shs. were issued under options.

Through Certificate of Continuance in 1980, authorized capital became unlimited. During 1980, 85,000 shs. were issued under options.

During 1982, 15,000 shs. and in 1983, 42,000 shs. were issued under options, bringing capital stock outstanding at Dec. 31, 1983 to 4,181,000 shs.

Options—At Dec. 31, 1984, options, granted to officers and directors, were outstanding on 15,000 shs., exercisable at \$1.95 per sh. and 43,500 shs. exercisable at \$4.12 per sh.

CONS. STATEMENT OF INCOME & RET. EARNINGS

	Years ended Dec. 31		
	1984	1983	1982
	\$000's		
Total revenue	13,920	15,525	12,285
Less: Operating exps.	1,600	1,074	1,186
Net before deprec., etc.	12,320	14,451	11,099
Less: Depreciation	7,436	8,553	6,108
Interest expense	910	2,211	2,700
Income taxes: Current	851	373	61
Deferred	1,136	1,471	1,121
Net income	1,987	1,843	1,109
Add: Previous ret. earns.	7,227	6,262	5,774
Less: Dividends	1,003	878	621
Retained earnings	8,211	7,227	6,262
*Credit			
Remuneration —Of senior officers and directors amounted to \$265,233 in 1984; \$294,704 in 1983; and \$312,485 in 1982.			
Cash Flow (\$000's)	11,385	11,882	8,345
Earnings per Common Share	\$0.48	\$0.44	\$0.27

CONSOLIDATED BALANCE SHEET

	As at Dec. 31		
	1984	1983	1982
Assets	\$000's		
Cash & equivalent	129	39	40
Net finance leases, etc.	36,442	13,965	12,064
Receivable (net)	449	593	181
Computer equip. for resale			147
Due from parent	44		
Inc. tax recover.	79		
Computer rental equip. *	12,160	18,766	27,369
Other assets	299	240	131
	49,602	33,603	39,932
Liabilities			
Current:			
Bank loans	13,458	6,000	9,609
Notes to affil.	72		
Equip. contracts pay.		266	500
Due to parent		32	
Accts. pay. & accruals	600	667	650
Advanced rentals	548	467	341
Dividend pay.	502	878	621
Taxes payable		166	
L.-t. debt due 1 yr.	1,969	1,349	1,519
	17,149	9,825	13,240
Long-term debt	10,096	4,366	9,935
Deferred items	9,005	7,044	5,420
Shareholders' Equity			
Capital stock	5,141	5,141	5,075
Retained earnings	8,211	7,227	6,262
	49,602	33,603	39,932
*After accum. deprec. of	24,215	17,780	11,098